



Auditor of Public Accounts
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FOR IMMEDIATE RELEASE

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Edelen Releases Audit of Ballard Clerk's Fee Account

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2011 financial statement of Ballard County Clerk Lynn Lane. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

The audit found that the clerk's financial statement presents fairly the revenues, expenditures, and excess fees of the Ballard County clerk in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comment:

The County Clerk's office lacks adequate segregation of duties. The Ballard County Clerk's Office lacks adequate segregation of duties. Due to a limited staff size, the County Clerk's deputies are required to perform multiple tasks such as the collection of cash from customers, the daily bookkeeping function, preparation of weekly/monthly reports, and the preparation of checks for disbursements.

Segregation of duties over these tasks or the implementation of compensating controls, when limited by the number of staff, is essential for providing protection against the misappropriation of assets and/or inaccurate financial reporting. Additionally, proper segregation of duties protects employees in the normal course of performing their daily responsibilities.

To offset this lack of segregation of duties, the County Clerk has implemented some compensating controls such as the comparison of daily reports to the deposit and initialing the deposits, all of which are documented in the County Clerk's records. Although these compensating controls are in place, auditor does not believe they are sufficient enough to offset the lack of segregation of duties. We recommend the Clerk segregate the duties noted above by

allowing different deputies to perform these functions. For those duties that cannot be segregated due to a limited number of staff, strong oversight should be provided to the employee or employees responsible for these duties.

County Clerk's response: The Clerk did not respond.

The county clerk's responsibilities include collecting certain taxes, issuing licenses, maintaining county records and providing other services. The clerk's office is funded through statutory fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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